

Global dreams: Imperial Corporations and the New World Order

RICHARD J BARNET & JOHN CAVANAGH, 1994

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There is an interesting argument in this book, another in the long series of popularising books by Richard Barnett and his co-authors. It is that national governments are being held responsible for outcomes over which they may be losing control. The reason for this is the growing 'globalisation' of the world economy. As in many other recent works on globalisation, the term is not carefully defined here. The authors suggest that it means the creation of 'global webs' or that it is the process of 'global economic integration', but do not attempt to be more precise (pp 13-14).

They argue that globalisation 'is not really global' (p 427) because most of the world's population are not participants in the so-called 'global economy', being too poor to be significant producers or consumers of global goods and services, with the possible exception of global cultural goods (radio, television, movies, etc). There is, in other words, a Global North and a Global South (p 428). Furthermore, globalisation has the effect of eroding local cultures, even beyond the real boundaries of the global economy, without replacing them with something equally satisfying. There needs, as a result, to be a global civil society to counteract the evil effects of the global economy ruled by global corporations. This can happen only if 'people, acting with the spirit, energy, and urgency our collective crisis requires, can develop a democratic global consciousness rooted in authentic local communities' (p 430).

The global economy is defined by global corporations which are 'the first secular institutions run by men (and a handful of women) who think and plan on a global scale (p 15)'. Globalisation therefore means that power has shifted in the direction of these globally organised multinational corporations (MNCs). As a result, there is a problem of authority at the international level. The actors with power, the MNCs, are not accountable to the people who live in nation-states, while the governments of nation-states, which are more likely to be accountable, have no power, or at least less power than they used to have.

This is the basic argument of the book, but unfortunately it is not well defended.

The method employed here is to divide the world economy into four global subdivisions: the cultural bazaar, the shopping mall, the workplace and the financial network. The authors selected for examination a small number of global firms that operate in one or more of these subdivisions: Sony, Bertelsmann, Philip Morris, Ford Motor Corporation and Citibank. They provide many interesting tidbits of history on these firms (based mainly on interviews and a somewhat shallow review of secondary sources) in order to buttress their overall thesis. However, some of the bits do not fit their argument very well.

For example, their informants at Bertelsmann tell them that many of their products (eg books and magazines) are not global in nature and that their organisation has to be very decentralised to reflect this fact. Similarly, they learn that Bertelsmann management remains predominantly German in nationality, while Sony uses Americans only in acquired businesses like records and films that have been traditionally based in the USA. The top management of Sony is Japanese. The same system applies in most US companies.

Also, they learn that MNCs are trying to become 'stateless' rather than global (pp 280-281). By this, they mean that the firms are trying to be good citizens of whatever country they operate in, and do not insist upon forcing a global identity on their foreign subsidiaries. Why should they bother to do this if the various governments where they do business do not retain important power over them? Why would governments worry about this if their constituents did not think it was important?

Indeed, the authors acknowledge the residual power of national governments in the following passage:

Corporations dream of escaping the laws of any nations that restrict the free movements of goods, information, and profits.

But at the same time global companies everywhere look to their home governments to protect their existing markets and to provide muscle for penetrating new markets, to keep labor and environmental costs down, and to subsidize their operations in various ways. (p 281)

BOOK REVIEWS

In short, the world economy is really not as global as the authors of this book say it is. Not yet. The extent of globalisation may be greater than in previous eras, particularly in universal cultural goods and in financial transactions. Also, there is clearly a much greater willingness in the current system to look for highly productive low-wage labour outside the home country or region. People in the poorest regions of the world appear to be more willing and able to move to places that offer greater economic opportunities.

Only parts of the Third World have benefited from these changes, but the authors of this book are too quick to say that there is a crisis looming. They are correct in saying that most people in the Third World are now limited to the role of 'window-shopping' at the global shopping mall even as they become workers in the global workplace. These people want to become full participants in the global economy while retaining their sense of local identity and authenticity. That is probably what we all want. But, for the moment, nobody is defining the status quo as requiring a revolution. I suspect that the underpaid workers of the Third World will form labour unions and lobby their national governments for better labour laws before they turn their attention to the organisation of the global economy. Thus, while there is much useful and entertaining information in this book, the authors' call to global consciousness is still premature.

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